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J. DAVID NAVARRO, Clerk
By A. HUNT
DEPUTY

LAWRENCE G. WARDEN
Attorney General

JOSEPH B. JONES
Deputy Attorney General
State of Idaho
Department of Finance
P.O. Box 83720
Boise, Idaho 83720-0031
Telephone: (208) 332-8000
Facsimile: (208) 332-8099
Idaho State Bar #2768

Attorneys for Plaintiff

**IN THE DISTRICT COURT OF THE FOURTH JUDICIAL DISTRICT
OF THE STATE OF IDAHO, IN AND FOR THE COUNTY OF ADA**

STATE OF IDAHO, DEPARTMENT OF FINANCE,
SECURITIES BUREAU,

Plaintiff,

vs.

PHILIP GARNER OLESON, and DAVID ABRAM
HIGGINBOTHAM,

Defendants.

CV 0C 04086100
Case No.

VERIFIED COMPLAINT

Fee Category: Exempt

The State of Idaho, Department of Finance, Gavin M. Gee, Director, by and through its counsel, complains and alleges as follows, on its information and belief:

1) This action is brought pursuant to the Idaho Securities Act, Title 30, Chapter 14, Idaho Code (hereinafter referred to as the "Act"), and in particular, Idaho Code § 30-1442, wherein the Director is authorized to bring actions seeking injunctive and other relief against

COPY

Defendants who have either violated or are about to violate the provisions of the Act or any rule promulgated thereunder.

I

THE DEFENDANTS

2) Defendant, Philip Garner Oleson (hereinafter referred to as “Oleson”) is, and at all times pertinent hereto was, a resident of Ada County, Idaho.

3) Defendant, David Abram Higginbotham (hereinafter referred to as “Higginbotham”) is, and at all times pertinent hereto was, a resident of Ada County, Idaho.

4) At the time of the investment transactions discussed below, the Defendants were self-employed as investment advisors and were registered as such with the state of Idaho under an entity known as The Olympus Group.

5) BFS Group, LTD (hereinafter referred to as “BFS”) is an Idaho business corporation that was founded by Oleson and Higginbotham in September of 2001. Oleson and Higginbotham are, and at all times pertinent hereto were, the sole owners of BFS.

II

THE INVESTORS

6) All but one of the investors identified below are, and at all times pertinent hereto were, residents of the state of Idaho.

III

JURISDICTION

7) This court has jurisdiction in this matter, pursuant to Idaho Code §§30-1442(4) and 5-514(a).

IV

THE INVESTMENT TRANSACTIONS

A. Common Facts

8) The promissory notes the Defendants sold to the investors identified below constitute securities, within the meaning of the Idaho Securities Act and Rules promulgated thereto.

9) In all of the investment transactions discussed below, the Defendants did not register the promissory note investments they sold with the Idaho Department of Finance, prior to selling the promissory notes to the investors.

10) In all of the investment transactions discussed below, the Defendants did not disclose to the investors the fact that the promissory note investments they sold had not been registered as securities, as required by the Idaho Securities Act, or exempt from registration under the Act.

11) At no time prior to engaging in the investment transactions discussed below did Defendants register their company, BFS Group with the Idaho Department of Finance as a broker-dealer, as required by the Idaho Securities Act.

Investor C. B. – Investment in Rodizio Restaurants International, Inc.

12) C. B. is, and at all times pertinent hereto was, a resident of the city of Bountiful, county of Davis, state of Utah.

13) C. B. is a single woman who is 68 years of age.

14) At the time of the investment transactions described below, C. B. did not desire to make risky investments and she stated this fact to the Defendants.

15) In or about February of 2002, the Defendants contacted C. B. and advised her to make an investment in Rodizio Restaurants International, Inc., (hereinafter "Rodizio Restaurants") in the form of a loan to Rodizio Restaurants.

16) In February of 2002, the Defendants represented to C. B. that an investment in Rodizio Restaurants was a safe, low risk investment.

17) In February of 2002, the Defendants represented to C. B. that her investment in Rodizio Restaurants would be secured by assets owned by the company.

18) At the time of their discussions with C. B. in February of 2002 and at the time of their dealings with all of the other investors identified herein, Defendants were the founders and owners of a company named BFS Group, LTD (hereinafter referred to as "BFS").

19) As an inducement to C. B. to invest in Rodizio Restaurants, Defendants represented to C. B. that BFS would agree to service the loan to Rodizio Restaurants and collect the payments Rodizio Restaurants would be obligated to make to C. B. in the loan transaction.

20) In 1999, Rodizio Restaurants became involved in a costly lawsuit brought by a former officer and director of the company. In their discussions with C. B. in February of 2002 regarding an investment in Rodizio Restaurants, Defendants did not disclose to C. B. that Rodizio Restaurants became had been involved in litigation with its former officer and director. The significant costs of that litigation contributed to Rodizio Restaurants' inability to obtain new investments or conventional financing prior to 2002.

21) Prior to February of 2002, due to poor operating performance, Rodizio Restaurants became unable to secure new investments or loans from financial institutions. Rodizio Restaurants ultimately filed a Chapter 11 bankruptcy petition on December 11, 2002. In
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their discussions with C. B. in February of 2002 regarding an investment in Rodizio Restaurants, Defendants did not disclose to C. B. that Rodizio Restaurants had poor operating performance and was unable to secure financing from conventional sources.

22) In February of 2002, Defendants and C. B. executed a promissory note in the amount of \$250,000. Defendants signed the promissory note as “Authorized Agents for BFS Group, LTD [Payee].” The promissory note further recited that BFS Group LTD was “[Payee](FBO Rodizio Restaurants).” The promissory note also recited that “The note is secured by assets of the company.” A copy of the promissory note is attached to this Verified Complaint as Exhibit “A.” C. B. paid the sum of \$250,000 to Defendants in February of 2002, with the understanding that this sum would be given to Rodizio Restaurants. The \$250,000 Defendants received from C. B. was paid to Rodizio Restaurants and Defendants received a commission in the amount of 5% (\$12,500) from Rodizio Restaurants as compensation for bringing Rodizio Restaurants this money.

23) In February of 2002, Defendant Oleson and C. B. executed a “Loan Servicing Agreement.” In the Loan Servicing Agreement, Oleson represented to C. B., among other things, that her investment in Rodizio Restaurants would not be commingled with other funds. Subsequent to C. B.’s payment of \$250,000 to Defendants, Defendants did in fact commingle C. B.’s money with other funds. A copy of the Loan Servicing Agreement is attached to this Verified Complaint as Exhibit “B.”

24) At no time prior or subsequent to the execution of the foregoing promissory note and Loan Servicing Agreement did Defendants, BFS Group, or Rodizio Restaurants take the

steps necessary under Article 9 of the Uniform Commercial Code to give C. B. a perfected security interest in any of the assets of Rodizio Restaurants.

Investor C.B. – Investment in R-Tec Holding, Inc.

25) In April of 2002, the Defendants contacted C. B. and advised her to make an investment in R-Tec Holding, Inc. (hereinafter referred to as “R-Tec”).

26) In April of 2002, the Defendants represented to C. B. that an investment in R-Tec was a safe, low risk investment. At the time of this representation to C. B., R-Tec was in fact a struggling, start-up company with questionable prospects for survival. Consequently, an investment in R-Tec at that time was a very high risk investment.

27) In April of 2002, the Defendants represented to C. B. that an investment in R-Tec would be secured by assets of the company, as well as a Department of Defense contract held by R-Tec.

28) In April of 2002, the Defendants and C. B. executed a promissory note in the amount of \$50,000. Defendants signed the promissory note as “Authorized Agents for BFS Group, LTD [Payee].” BFS Group was listed as “[Payee](FBO Department of Defense contract).” The promissory note recited that “The note is secured by assets of the company.” A copy of the promissory note the Defendants and C. B. executed in April of 2002 is attached to this Verified Complaint as Exhibit “C.”

29) In April of 2002, Defendants and the CEO and COO of R-Tec entered into a promissory note whereby R-Tec agreed to pay BFS Group a fee of \$4,500 in exchange for a payment from BFS Group in the amount of \$50,000. R-Tec paid BFS \$1,500 of this agreed upon fee. The source of the \$50,000 Defendants paid to R-Tec in April of 2002 was the \$50,000

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payment C. B. made to Defendants in the transaction described in paragraphs 25 – 28 above. The promissory note entered into between R-Tec and Defendants recited that it was secured by a Department of Defense contract in the amount of \$252,000, as well as assets of the company. A copy of the promissory note executed by R-Tec and Defendants in April of 2002 is attached to this Verified Complaint as Exhibit “D.”

30) In April of 2003, approximately one year following C. B.’s loan to R-Tec, R-Tec filed a UCC-1 with the Idaho Secretary of State, for the purpose of perfecting a security interest in R-Tec’s assets, to secure the \$50,000 obligation to C. B. At no time prior to or subsequent to the execution of the promissory note between Defendants and C. B. (Exhibit C) and the execution of the promissory note between Defendants and R-Tec (Exhibit D), did Defendants or R-Tec take any of the steps necessary under Article 9 of the Uniform Commercial Code to perfect a security interest in the assets of either BFS or R-Tec or the Department of Defense contract as specified in the promissory notes referred to in paragraphs 24 and 25 above (Exhibits C and D).

Investor J. T. – Investment in Rodizio Restaurants International, Inc.

31) Investor J. T. is, and at all times pertinent hereto was, a resident of Canyon County, Idaho.

32) In or about January of 2002, Defendants advised J. T. to invest his IRA funds in Rodizio Restaurants International, Inc.

33) In or about January of 2002, Defendants represented to J. T. that an investment in Rodizio Restaurants was a very safe investment.

34) In their discussions with J. T. in January of 2002 regarding an investment in Rodizio Restaurants, Defendants did not disclose to J. T. that beginning in 1999, Rodizio Restaurants became involved in costly litigation with a former officer and director, and that due to the costly litigation and poor operating performance, Rodizio Restaurants was unable to secure new capital or obtain conventional financing. Rodizio Restaurants ultimately filed a Chapter 11 bankruptcy petition on December 11, 2002.

35) In their discussions with J. T. in January of 2002 regarding an investment in Rodizio Restaurants, Defendants represented to J. T. that an investment in Rodizio Restaurants would be secured by assets of the company.

36) On or about January 7, 2002, J. T.'s IRA custodian paid Rodizio Restaurants the sum of \$40,000 and Rodizio Restaurants executed a promissory note to J. T.'s IRA custodian, agreeing to repay the sum of \$40,000. Rodizio Restaurants paid 5% of this sum to the Olympus Group as compensation to Defendants for obtaining this money for Rodizio Restaurants.

37) The promissory note Rodizio Restaurants gave to J. T.'s IRA custodian recited that the loan was secured by assets of the company.

38) At no time prior or subsequent to the execution of the promissory note in the amount of \$40,000 to J. T.'s IRA custodian did Rodizio Restaurants or the Defendants take any of the steps necessary under Article 9 of the Uniform Commercial Code to perfect a security interest in any of Rodizio Restaurants' assets to secure the promissory note.

Investor E. C. – Investment in R-Tec Holding

39) E. C. is, and at all times pertinent hereto was, a resident of Ada County, Idaho.

40) In or about April of 2002, Defendants contacted E. C. and advised him to invest in R-Tec in the form of a loan.

41) In April of 2002, Defendants represented to E. C. that a loan to R-Tec would be risk-free.

42) In April of 2002, Defendants represented to E. C. that a loan to R-Tec would be secured by assets of the company.

43) In April of 2002, E. C. and the Defendants agreed that E. C. would loan money to BFS and that BFS would in turn loan the money to R-Tec.

44) In April of 2002, E. C. paid the sum of \$83,000 to Defendants. E. C. received a promissory note for \$83,000 signed by Defendants, in their capacity as owners of BFS.

45) The promissory note Defendants gave to E. C. recited that it was secured by assets of BFS.

46) On or about April 15, 2002, Defendants paid to R-Tec the sum of \$83,000 which they had received from E. C. R-Tec in turn executed a promissory note to BFS. BFS was paid a commission by R-Tec in the amount of \$2,459.26 as compensation for obtaining these funds for R-Tec. The R-Tec/BFS promissory note recited that it was secured by assets of R-Tec.

47) At no time prior or subsequent to the execution of the promissory notes discussed above did Defendants or R-Tec take any of the steps necessary under Article 9 of the Uniform Commercial Code to perfect a security interest in any assets of either R-Tec or BFS.

48) The promissory note E. C. received from BFS in the amount of \$83,000 has not been repaid.

W. B. and J. L. – Investment in Rodizio Restaurants International, Inc.

49) W. B. and J. L. are, and at all times pertinent hereto were, residents of Ada County, Idaho.

50) In or about October of 2001, Defendants advised W. B. and J. L. to invest in Rodizio Restaurants.

51) In or about October of 2001, Defendants represented to W. B. and J. L. that the Jaguar automobiles each of the Defendants drove were purchased for the Defendants by a client of theirs as gifts, for the reason that Defendants had done a very good job for the client in advising the client on investments. Each Defendant did drive a Jaguar automobile in October of 2001. The vehicles were leased by the Defendants, however, and they were not gifts from one of Defendants' clients.

52) In or about October of 2001, Defendants represented to W. B. and J. L. that Rodizio Restaurants was a financially sound company. In 1999, Rodizio Restaurants became involved in costly litigation with a former officer and director. At the time, due to poor operating performance and the costly litigation, Rodizio Restaurants was unable to secure new capital and it was unable to obtain conventional financing.

53) In or about October of 2001, Defendants represented to W. B. and J. L. that a loan to Rodizio Restaurants would be secured by assets of the company.

54) On October 4, 2001, W. B. and J. L. loaned Rodizio Restaurants \$50,000 and Rodizio Restaurants gave W. B. and J. L. a promissory note in that amount. Rodizio Restaurants paid 5% of this sum to the Olympus Group as compensation to Defendants for obtaining this money for Rodizio Restaurants. The promissory note recited, among other things, that it was

“secured by personal property of Rodizio Restaurants Int’l Inc.” A copy of the promissory note is attached to this Verified Complaint as Exhibit “E.”

55) At no time prior or subsequent to October 4, 2001, did Defendants or Rodizio Restaurants take any of the steps necessary under Article 9 of the Uniform Commercial Code to perfect a security interest in any of the assets or property of Rodizio Restaurants.

B. D. – Investment in Rodizio Restaurants, Inc.

56) B. D. is, and at all times pertinent hereto was, a resident of Ada County, Idaho

57) In December of 2001, Defendants advised B. D. to invest in Rodizio Restaurants International, Inc.

58) In December of 2001, Defendant Oleson told B. D. that Rodizio Restaurants was financially sound and that it represented a good investment opportunity. Beginning in 1999, Rodizio Restaurants became involved in costly litigation with a former officer and director. At the time, due to poor operating performance and the costly litigation, Rodizio Restaurants was unable to obtain new capital or financing from conventional sources.

59) In December of 2001, Defendant Oleson represented to B. D. that an investment in Rodizio Restaurants would be secured by assets of the company.

60) On or about December 19, 2001, B. D. paid the sum of \$30,000 to Rodizio Restaurants. On or about that date, Rodizio Restaurants signed a promissory note agreeing to pay B. D. the sum of \$30,000. A copy of the promissory note is attached to this Verified Complaint as Exhibit “F.” The promissory note recited that it was “secured by \$30,000.00 of personal property of Rodizio Restaurants Int’l Inc.” Rodizio Restaurants paid Olympus Group 5% of this sum as compensation to Defendants for obtaining this money for Rodizio Restaurants.

61) At no time prior or subsequent to the execution of the \$30,000 promissory note from Rodizio Restaurants did either the Defendants or Rodizio Restaurants take any of the steps necessary under Article 9 of the Uniform Commercial Code to perfect a security interest in any property or assets of Rodizio Restaurants.

Investor R. T. – Investment in Rodizio Restaurants International, Inc

62) R. T. is, and at all times pertinent hereto was, a resident of Ada County, Idaho.

63) In or about May of 2002, R. T. contacted Defendants and indicated that he was looking for a high return, high risk investment.

64) In or about May of 2002, Defendants advised R. T. to make an investment in Rodizio Restaurants.

65) In or about May of 2002, Defendants represented to R. T. that his investment in Rodizio Restaurants would be secured by assets of the company.

66) In or about May of 2002, Defendants represented to R. T. that under the worse case scenario, R. T. would have the principal sum of his investment repaid, due to the fact that the investment would be secured by Rodizio Restaurants' assets.

67) On or about May 13, 2002, R. T. loaned Rodizio Restaurants the sum of \$16,000. In return, Rodizio Restaurants signed a promissory note in which it agreed to repay R. T.'s principal sum of \$16,000 at the interest rate of 8.75% per year. The promissory note recited that it was "secured by \$16,000.00 of personal property of Rodizio Restaurants Int'l, Inc." Rodizio Restaurants paid Olympus Group 5% of this sum as compensation for obtaining this money for Rodizio Restaurants.

68) At no time prior or subsequent to May 13, 2002, did Defendants or Rodizio Restaurants take any of the steps necessary under Article 9 of the Uniform Commercial Code to perfect a security interest in any property owned by Rodizio Restaurants.

D. H. - Investment in R-Tec Holding

69) D. H. is, and at all times pertinent hereto was, a resident of Ada County, Idaho.

70) In or about October of 2002, Defendant Higginbotham advised D. H. to invest in R-Tec.

71) In or about October of 2002, Defendant Higginbotham represented to D. H. that an investment in R-Tec was a safe investment.

72) In or about October of 2002, Defendant Higginbotham represented to D. H. that his investment in R-Tec would be secured by assets of the company.

73) On October 21, 2002, D. H. invested \$25,000 in R-Tec in the form of a loan to that company.

74) Neither Defendants nor R-Tec took the steps necessary to perfect a security interest in R-Tec's assets for the purpose of securing the obligation to D. H. until April of 2003.

COUNT ONE – UNTRUE STATEMENT OF MATERIAL FACT – C. B.

75) Plaintiff hereby realleges and incorporates by reference paragraphs 1 through 74 above as though fully set forth.

76) Defendants' representation to C. B. that an investment in Rodizio Restaurants would be a safe, low-risk investment, constituted the making of an untrue statement of a material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-
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1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon C. B., within the meaning of Idaho Code § 30-1403(3).

77) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; ordering that any consideration paid by C. B. to Defendants as a result of Defendants' unlawful actions be restored to C. B. by Defendants, to the extent C. B. has not recovered all of her investment, said sum totaling \$131,700; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT TWO – UNTRUE STATEMENT OF MATERIAL FACT – C. B.

78) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 77 above as though fully set forth.

79) Defendants' representation to C. B. that her investment in Rodizio Restaurants would be secured by assets or property of the company constituted the making of an untrue statement of a material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon C. B., within the meaning of Idaho Code § 30-1403(3).

80) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; ordering that any consideration paid by C. B. to Defendants as a result of Defendants' unlawful actions be restored to C. B. by Defendants, to the extent C. B. has not recovered all of her investment, said sum totaling \$131,700; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT THREE – UNTRUE STATEMENT OF MATERIAL FACT – C. B.

81) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 80 above as though fully set forth.

82) Defendant Oleson's statement to C. B. that Defendants would not commingle her funds constituted the making of an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon C. B., within the meaning of Idaho Code § 30-1403(3).

83) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendant Oleson, awarding it a permanent injunction prohibiting further violations of

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Idaho's securities laws by Defendant Oleson; a penalty of \$10,000 against Defendant Oleson for his violations of Idaho's securities laws as described in this Count; ordering that any consideration paid by C. B. to Defendant Oleson as a result of Defendant Oleson's unlawful actions be restored to C. B. by Defendant Oleson, to the extent C. B. has not recovered all of her investment, said sum totaling \$131,700; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendant Oleson's unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT FOUR – UNTRUE STATEMENT OF MATERIAL FACT – C. B.

84) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 83 above as though fully set forth.

85) Defendants' representation to C. B. that an investment in R-Tec constituted a safe, low-risk investment, constituted the making of an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon C. B., within the meaning of Idaho Code § 30-1403(3).

86) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$50,000 for the

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benefit of C. B.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30- 1403, subsections (1), (2), and (3).

COUNT FIVE – UNTRUE STATEMENT OF MATERIAL FACT – C. B.

87) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 86 above as though fully set forth.

88) Defendants' representation to C. B. that her investment in R-Tec would be secured by assets of the company constituted the making of an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon C. B., within the meaning of Idaho Code § 30-1403(3).

89) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; an award of restitution in the amount of \$50,000 for the benefit of C. B., reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law

affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30- 1403, subsections (1), (2), and (3).

COUNT SIX – UNTRUE STATEMENT OF MATERIAL FACT – J. T.

90) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 89 above as though fully set forth.

91) Defendants' representation to J. T. that an investment in Rodizio Restaurants was a safe investment, constituted the making of an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon J. T., within the meaning of Idaho Code § 30-1403(3).

92) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of Idaho's securities laws as described in this Count; restitution in the amount of \$40,000 for the benefit of J. T.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30- 1403, subsections (1), (2), and (3).

COUNT SEVEN – UNTRUE STATEMENT OF MATERIAL FACT – J. T.

93) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 92 above as though fully set forth.

94) Defendants' representations to J. T. that his investment in Rodizio Restaurants would be secured by assets of the company constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, these representations constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon J. T., within the meaning of Idaho Code § 30-1403(3).

95) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$40,000 for the benefit of J. T.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT EIGHT – UNTRUE STATEMENT OF MATERIAL FACT – E. C.

96) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 95 above as though fully set forth.

97) Defendants' representation to E. C. that his investment in R-Tec was a safe investment constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon E. C., within the meaning of Idaho Code § 30-1403(3).

98) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$83,500 for the benefit of E. C.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT NINE – UNTRUE STATEMENT OF MATERIAL FACT – E. C.

99) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 98 above, as though fully set forth.

100) Defendants' representation to E. C. that his investment in R-Tec would be secured by assets of the company constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and

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engaging in an act, practice, or course of business operating as a fraud or deceit upon E. C., within the meaning of Idaho Code § 30-1403(3).

101) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$83,500 for the benefit of E. C.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT TEN – UNTRUE STATEMENT OF MATERIAL FACT – W. B. AND J. L.

102) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 101 above as though fully set forth.

103) Defendants' representation to W. B. and J. L. that a client of Defendants had purchased each of them a jaguar automobile constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon W. B. and J. L., within the meaning of Idaho Code § 30-1403(3).

104) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's
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securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$50,000 for the benefit of W. B. and J. L.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30- 1403, subsections (1), (2), and (3).

COUNT ELEVEN – UNTRUE STATEMENT OF MATERIAL FACT – W. B. AND J. L.

105) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 104 above as though fully set forth.

106) Defendants' representation to W. B. and J. L. that Rodizio Restaurants was financially sound constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon W. B. and J. L., within the meaning of Idaho Code § 30-1403(3).

107) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$50,000 for the benefit of W. B. and J. L.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to

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under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT TWELVE – UNTRUE STATEMENT OF MATERIAL FACT – W. B. AND J. L.

108) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 107 above as though fully set forth.

109) Defendants' representation to W. B. and J. L. that their investment in Rodizio Restaurants would be secured by assets or property of the company constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon W. B. and J. L., within the meaning of Idaho Code § 30-1403(3).

110) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$50,000 for the benefit of W. B. and J. L.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT THIRTEEN – UNTRUE STATEMENT OF MATERIAL FACT – B. D.

111) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 110 as though fully set forth.

112) Defendants' representation to B. D. that Rodizio Restaurants was financially sound constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon B. D., within the meaning of Idaho Code § 30-1403(3).

113) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$30,000 for the benefit of B. D.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT FOURTEEN – UNTRUE STATEMENT OF MATERIAL FACT – B. D.

114) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 113 as though fully set forth.

115) Defendants' representation to B. D. that his investment in Rodizio Restaurants would be secured by assets or property of the company constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon B. D., within the meaning of Idaho Code § 30-1403(3).

116) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$30,000 for the benefit of B. D.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT FIFTEEN – UNTRUE STATEMENT OF MATERIAL FACT – R. T.

117) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 116 above as though fully set forth.

118) Defendants' representation to R. T. that his investment in Rodizio Restaurants would be secured by property or assets of the company constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of

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Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon R. T., within the meaning of Idaho Code § 30-1403(3).

119) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$16,000 for the benefit of R. T.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT SIXTEEN – UNTRUE STATEMENT OF MATERIAL FACT – R. T.

120) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 119 above as though fully set forth.

121) Defendants' representation to R. T. that the worse case scenario of his investment in Rodizio Restaurants would be return of his principal constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon R. T., within the meaning of Idaho Code § 30-1403(3).

122) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's
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securities laws by Defendants; a penalty of \$10,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$16,000 for the benefit of R. T.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1403, subsections (1), (2), and (3).

COUNT SEVENTEEN – SALE OF UNREGISTERED SECURITIES

123) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 122 above as though fully set forth.

124) Defendant Higginbotham's representation to D. H. that R-Tec was a safe investment constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon D. H., within the meaning of Idaho Code § 30-1403(3).

125) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Higginbotham, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendant Higginbotham; a penalty of \$10,000 against Defendant Higginbotham for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$25,000 for the benefit of D. H.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff

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may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30- 1416.

COUNT EIGHTEEN – UNTRUE STATEMENT OF MATERIAL FACT - D. H.

126) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 125 above as though fully set forth.

127) Defendant Higginbotham's representation to D. H. that D. H.'s investment in R-Tec would be secured by assets of the company, constituted making an untrue statement of material fact, as prohibited by Idaho Code § 30-1403(2). Further, this representation constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon D. H., within the meaning of Idaho Code § 30-1403(3).

128) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Higginbotham, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendant Higginbotham; a penalty of \$10,000 against Defendant Higginbotham for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$25,000 for the benefit of D. H.; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30- 1406.

COUNT NINETEEN – SALE OF UNREGISTERED SECURITIES

129) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 128 above as though fully set forth. In the eight securities sale transactions outlined above, Defendants sold unregistered securities, in violation of Idaho Code § 30-1416.

130) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$80,000 against each Defendant for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$426,200 for the benefit of the eight investors discussed above; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1416.

COUNT TWENTY – FAILURE TO REGISTER AS BROKER/DEALER

131) Plaintiff hereby realleges and incorporates by reference paragraphs 1 –130 above as though fully set forth.

132) In three of the securities sales transactions outlined above (two transactions with C. B. and one transaction with E. C.), Defendants' company, BFS Group was a party to the transactions. BFS was not registered as a broker/dealer as required by Idaho Code § 30-1406.

133) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$30,000 against each Defendant for his violations of

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the Idaho Securities Act as described in this count; restitution in the amount of \$214,700 for the benefit of the two investors discussed in this count; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code § 30-1406.

COUNTY TWENTY-ONE – FAILURE TO DISCLOSE LACK OF REGISTRATION

134) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 133 above as though fully set forth.

135) In each of the eight securities sales transactions outlined above, Defendants failed to disclose to the investors that the Rodizio Restaurants or R-Tec promissory notes, as the case may be, were not registered as securities as required by the Idaho Securities Act, or exempt from registration under the Act. This lack of disclosure constituted omitting to state a material fact necessary in order to make the statements made, in the light of the circumstances under which they are made, not misleading, within the meaning of Idaho Code § 30-1403(2). Further, this omission to state a material fact constituted the employment of a device, scheme, or artifice to defraud, within the meaning of Idaho Code § 30-1403(1), and engaging in an act, practice, or course of business operating as a fraud or deceit upon the investors, within the meaning of Idaho Code § 30-1403(3).

136) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against the Defendants, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendants; a penalty of \$80,000 against each Defendant for his violations of

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the Idaho Securities Act as described in this Count; restitution in the amount of \$426,200 for the benefit of the eight investors discussed above; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting violations of Idaho Code §§ 30-1403, subsections (1), (2), and (3).

COUNT TWENTY TWO - MISLEADING FILING - THE OLYMPUS GROUP

137) Plaintiff hereby realleges and incorporates by reference paragraphs 1 – 136 above as though fully set forth.

138) In January of 2001, Defendant Oleson registered The Olympus Group, LLC, as an investment advisory firm with the Idaho Department of Finance. The registration forms filed by Defendant Oleson stated that The Olympus Group was an LLC chartered in the state of Nevada. The Olympus Group, LLC, was not chartered in the state of Nevada.

139) On behalf of The Olympus Group, LLC, in January of 2001, Defendant Oleson filed a Form ADV (the form used to apply for registration as an investment adviser or to amend a registration) with the Plaintiff. The Form ADV stated that Oscar W. Mink was an officer of The Olympus Group. In response to a question on the Form ADV, which asked if any advisory affiliate or management person was the subject of an arbitration claim with damages exceeding \$2,500, Defendant Oleson answered "No." Oscar W. Mink had in fact been the subject of a lawsuit a client filed against him in 1994, seeking damages in excess of \$30,000, based on claims that Oscar Mink had committed a number of improper acts in the handling of the client's investments.

140) Defendant Oleson's acts described in this Count constitute the making of a statement filed with the Director of the Department of Finance which was, at the time and in the light of the circumstances under which it was made, false or misleading in a material respect, within the meaning of Idaho Code § 30-1438.

141) Based on the foregoing, Plaintiff is entitled to a Judgment from this Court against Defendant Oleson, awarding it a permanent injunction prohibiting further violations of Idaho's securities laws by Defendant Oleson; a penalty of \$10,000 against Defendant Oleson for his violations of the Idaho Securities Act as described in this Count; restitution in the amount of \$426,200 for the benefit of the eight investors discussed above; reasonable attorneys fees incurred by Plaintiff; reimbursement for Plaintiff's costs of investigation in this matter; and any other relief Plaintiff may be entitled to under Idaho Code § 30-1442, and other provisions of the Idaho Securities Act, or any other law affording remedies or relief to the Plaintiff as a result of Defendants' unlawful acts constituting a violation of Idaho Code § 30-1438.

WHEREFORE, Plaintiff prays for a Judgment against Defendants as follows:

(1) That Defendants be adjudged to have violated the Idaho Securities Act;

(2) That Defendants be permanently enjoined from engaging in any acts, practices, courses of business, omissions, and misrepresentations which would constitute violations of the Idaho Securities Act, Title 30, Chapter 14, Idaho Code.

(3) That Defendants be permanently enjoined from engaging in the following acts and conduct:

While engaged in or in connection with the offer, sale or purchase of any security:

- (a) Employing any device, scheme or artifice to defraud any investors or prospective investors;
- (b) Making any untrue statement of a material fact or omitting to state a material fact necessary in order to make the statements made, in light of the circumstances under which they are made, not misleading;
- (c) Engaging in any act, practice or course of business, which operates or would operate as a fraud or deceit upon any person.

(4) That Defendants be prohibited from claiming the availability of, using, or offering or selling securities under any exemptions under the Act without receiving the prior written consent of the Director.

(5) That Defendants be ordered to pay a civil penalty to the Plaintiff in the amount of \$10,000 for each violation of the Idaho Securities Act, as may be proved or established herein. More specifically, pursuant to Idaho Code § 30-1442(3)(b), that Defendants be ordered to pay penalties in the following amounts:

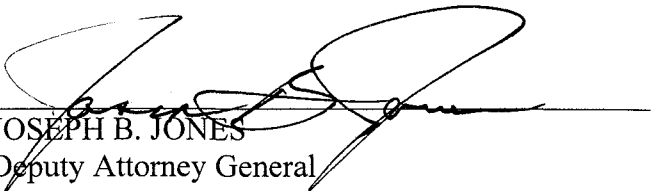
- a) \$290,000 penalty against Defendant Philip Oleson based on Counts One through Twenty-One above;
- b) \$270,000 penalty against Defendant David Higginbotham based on Counts One, Two, Four through Nineteen, and Twenty-Two above;

(6) For an award of the sum of \$426,200 against both of the Defendants, jointly and severally, representing restitution to the above-named investors for their losses incurred as a result of Defendants' unlawful conduct.

- (7) For the appointment of a receiver for the Defendants' assets.
- (8) For an award of Plaintiff's costs incurred herein, including Plaintiff's attorneys fees and the reasonable costs of the investigative efforts expended by Plaintiff.
- (9) For such other and further relief as this Court may deem just and equitable.

DATED this 7 day of November, 2004.

STATE OF IDAHO
OFFICE OF THE ATTORNEY GENERAL



JOSEPH B. JONES
Deputy Attorney General

VERIFICATION

STATE OF IDAHO)
) ss.
County of Ada)

MARILYN CHASTAIN, Bureau Chief of the Securities Bureau of the Idaho Department of Finance, being first duly sworn, deposes and states:

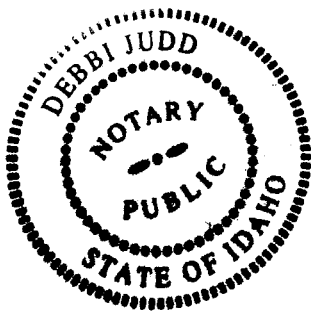
That she has read the foregoing verified complaint, that she knows the contents thereof, and that the same are true and correct to the best of her knowledge and belief.

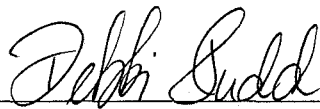
DATED this 1st day of November, 2004.



MARILYN CHASTAIN

SUBSCRIBED AND SWORN to before me this 1st day of November, 2004.





Notary Public for Idaho
Residing at: Boise, Idaho
My Commission Expires: 7/30/2010